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SUBJECT: MEDIA REACTION: U.S. ARMS SALES TO TAIWAN, INDICTMENT OF
FIRST LADY WU SHU-CHEN, DPRK NUCLEAR PROGRAM

¶1. Summary: Taiwan's major Chinese-language dailies continued to put their focus November 8 on the aftermath of President Chen Shui-bian's televised address to the Taiwan people Sunday evening on the subject of the indictments of First Lady Wu Shu-chen and three presidential aides; and on the third presidential recall motion in the Legislative Yuan. News coverage also focused on New York Yankees' pitcher Wang Chien-ming's return to his hometown for a holiday Tuesday. The pro-independence "Liberty Times," Taiwan's largest-circulation daily, reported on page four that the supplementary budget bill for U.S. arms procurements was blocked for the 63rd time in the Legislative Yuan's Procedural Committee Tuesday, even though the Legislative Yuan has passed the FY2007 budget for P-3C anti-submarine aircraft.

¶2. In terms of editorials and commentaries, a "Liberty Times" editorial criticized the pan-Blue camp for its repeated attempts to block the U.S. arms procurements bill and said the Blue-camp's ulterior purpose is to foster the island's ultimate unification with China. Editorials in the pro-status quo "China Times" and the pro-unification "United Daily News" both continued to lash out at President Chen for having insulted Taiwan's public functionaries and "kidnapped" the DPP. The limited-circulation, pro-independence, English-language "Taiwan News," on the other hand, devoted its entire page 7 to an opinion forum prepared by the paper's Editorial Department on North Korea's nuclear blackmail against the international community. End summary.

¶3. U.S. Arms Sales to Taiwan

"To Tie [Cross-Strait] Direct Transportation and Arms Procurements Together, the Revealed Truth Is Getting Uglier"

The pro-independence "Liberty Times" [circulation: 600,000] editorialized (11/8):

"... Is it true that the budget for arms procurement 'is held hostage by domestic political conflicts'; that its passage [in the Legislative Yuan] has been stalled? [In fact,] Stephen Young, out of diplomatic protocol, just put it in a concealed manner. We are almost certain that, following the defense and offense in the Legislative Yuan for two years and five months, and in the wake of the pan-Blue camp's boycotts ... for 63 times, American officials have gradually figured out the hidden, ulterior motives and schemes behind the various 'high-sounding' reasons offered by the pan-Blue camp for 'opposing the arms procurements.' Just as an anonymous AIT official said, some legislators who obstructed the defense budget can almost win a medal from China [for doing so.] Apparently, there are two reasons why the pan-Blue camp remains so stubborn in 'opposing the arms procurements': namely, the pan-Blue camp supports 'ultimate unification between both sides on the Taiwan Strait' and 'cooperation between the KMT and Chinese Communist Party,' but it simply dares not say it out loud.

"The pan-Blue camp's ulterior and ugly intentions have been further exposed over the past few days through its strong criticism against AIT Taipei Director Stephen Young. In addition to making abusive and strong comments such as 'interfering in [Taiwan's] domestic politics,' 'to expel [Young from Taiwan],' and 'arms broker,' the pan-Blue camp raised the idea of 'using direct transportation [links across the Taiwan Strait]' in exchange for arms procurements. ... '[Cross-Strait] direct transportation [links]' is aimed at strengthening the inner power for fostering unification, while 'opposition to arms sales' is designated to weaken [Taiwan's] military strength; both are strategic operations of the pan-Blue camp to accomplish 'ultimate unification.' [We] hope the DPP government can distinguish between what is [in Taiwan's] interests and what is not, figure out the [Blue camp's] schemes, bravely spell out the truth that 'direct transportation [links across the Taiwan Strait] will do more harm than good to the sustainability of Taiwan's economics,' ... and resolutely turn down the Blue camp's unreasonable blackmail attached to the arms deal. ..."

14. Indictment of First Lady Wu Shu-chen

A) "The President Has Insulted All Public Functionaries"

The pro-status quo "China Times" [circulation: 400,000] editorialized (11/8):

"... President Chen addressed the Taiwan people a few days ago in the form of a press conference in which he refuted Prosecutor Eric Chen's indictment. Appearing on TV, Mr. Chen seemed to have taken off his official hat of the presidency and put on the lawyer's gown to defend his innocence as 'a defendant.' ... We believe that Mr. Chen's performance the other day has done severe damage to the ethics of Taiwan's public functionaries; we can [even] say it was an insult to all Taiwan public functionaries. As a public functionary in the highest position in the Republic of China, [Chen] has

practically insulted the entire public service system. ..."

B) "Why Does DPP Prostrate Itself at the Feet of Chen Shui-bian?"

The pro-unification "United Daily News" [circulation: 400,000] editorialized (11/8):

"... The weak state the DPP is in today is poles apart from the same party that defeated the KMT several years ago. Why has the DPP, which used to be full of justice and aggressiveness, kept silent in the face of the party's corruption and decay? If it is true that Chen Shui-bian has deceitfully kidnapped the DPP, people also need to ask: Why is the DPP willing to be kidnapped by Chen? ... Chen thought he has narrowly got away [from his trouble] following his monologue-like 'report to the people,' but he has actually dumped the pressure onto the DPP. ... Deep involvement in calculations will only make the DPP fall deeper with Chen; only by re-grasping its ideals can the DPP regain the power to move the Taiwan people."

15. "The International Community Is Watching China's Reaction to North Korea's Nuclear Blackmail"

Cang Haiyue, a U.S.-based economist, noted on the "Forum" prepared by the Editorial Department of the pro-independence, English-language "Taiwan News" [circulation: 20,000] (11/8):

"... Presently, the focus of concern over North Korean nuclear arms has already shifted. The major goal of North Korea's nuclear test is to terrify the U.S. to force it to give sufficient attention to North Korea. ... In recent years, North Korea has frequently employed nuclear blackmail against the international community, and China has greatly enhanced its international status amid the dangerous game between the U.S. and North Korea. For sure, China is not only truly opposed to North Korea using nuclear blackmail against South Korea, the world, or the U.S. in particular, but it loathes that Kim Jong Il, whom it armed with a loaded gun, is no longer at its beck and call.

"China fostered the rogue state North Korea mainly hoping that it would become a tool for political and diplomatic manipulation in the international community, thus strengthening the country's

international status. North Korea is also very clear about this point. ... Amid this collaboration North Korea also slowly came to understand that it would gain more from its blackmail if it managed to shake off Chinese control to directly dialogue with the U.S. rather than just being a trump in China's hands. This way of thinking certainly matches China's initial aspirations in supporting North Korea. China regarded North Korea as a suitable tool - like a loaded gun that it pointed at its target without pulling the trigger - for keeping the U.S. under threat. North Korea served as a trump card for China in negotiations with the U.S. and allowed China to establish a bipolar relationship with the U.S. in East Asia. ..."

WANG